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SUMMARY RECORD OF THE 6th MEETING

Held at the Vienna International Centre, Vienna,
on Wednesday, 19 November 1997, at 11 a.m.

President: Mr. POSTA (Hungary)

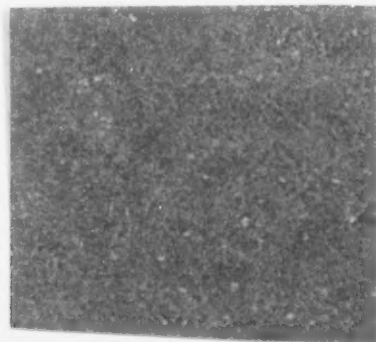
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The meeting was called to order at 12.20 p.m.

INTERNATIONAL CENTRE FOR SCIENCE AND HIGH TECHNOLOGY (IDB.18/16 and Add.1 and 2)

1. **Mr. MACHADO** (Director, Technology Service) said that the International Centre for Science and High Technology (ICS) had become fully operational in June 1996 through an Italian contribution of \$9 million to cover the financial years 1995-1996. The work programme and budget for 1996-1997 had been approved by the Director-General of UNIDO in July 1996, following the recommendations of the ICS Steering Committee, as provided for in the Institutional Agreement.

2. During the project preparatory stages, in the beginning of 1994 and coinciding with the first phase of UNIDO's restructuring, the Italian Government and UNIDO had agreed to carry out an assessment of the ICS programme and activities in order to provide guidelines on the Centre's future development. The assessment team, consisting of representatives of the Italian Government and UNIDO, had recommended firstly, greater integration of activities, through focusing of the work of the ICS in areas more closely related to UNIDO's objectives. It had also recommended that technologists in industry and research and development institutions in developing countries should be the main ICS targets, and that a formal survey be conducted of demand in developing countries for the training of scientists and researchers in industry and industrial institutes, with UNIDO's direct assistance. At its first session, the ICS Steering Committee had defined technology transfer as the Centre's main mission.

3. Implementation of the first biennial work programme had begun in August 1996, taking some of the above recommendations into account and focusing on the areas of chemistry, Earth and the environment, and high-technology areas such as composite materials, lasers and optical fibres.

4. The Centre's main mission—promotion of and assistance in technology transfer—was in line with the objectives and priorities of UNIDO. Substantive complementarities and synergies had been achieved, and UNIDO staff in Vienna were currently helping to implement a set of new products and services. That would help to identify demand from developing countries for the training, research and technology transfer activities of the Centre.

5. Since August 1996, there had been 30 training workshops or awareness-building seminars and 20 high-level meetings and seminars, and over 1,000 experts, researchers, industrialists or technologists had been involved as lecturers or participants in such activities.

Several guidelines relating to technology transfer would soon be finalized. Many commitments had been entered into with identified counterparts in different developing countries, and scheduled activities were pending in Indonesia, the Philippines, Viet Nam, Thailand, Malaysia, the Czech Republic, Brazil, the Islamic Republic of Iran, Poland, Hungary, Slovakia, Slovenia, Mexico, India, Tunisia, Egypt, Russian Federation and other countries.

6. In March 1997, six months after formally starting operations, the Italian Ministry of Foreign Affairs had submitted a request to UNIDO for a possible transfer of the ICS from UNIDO to UNESCO. The funds earmarked up to December 1998 amounted to approximately \$11 million. Some programmed activities for 1996-1997, as well as new commitments, could only be implemented if included in the 1998 work programme.

7. The ICS had been established by the UNIDO General Conference in November 1991 and was, in terms of scope and resources, the Organization's most important project. Its transfer would further undermine UNIDO's programmes. The Director-General was sure that a consensus solution on the future of the ICS could be found within the present legal framework.

8. **Mr. MANNO** (Italy) said that, in recent years, the Italian Government had been seeking greater rationalization of the United Nations institutions based in Italy by promoting the concentration of similar activities within the same organizations and trying to avoid duplication (see the views of the Italian Government presented in document IDB.18/16/Add.2). It was therefore his Government's intention to promote, in close agreement with the international organizations concerned, a transfer of the ICS to the legal framework of UNESCO. Italy was convinced that such a transfer would allow greater synergies to be achieved among the institutions of the Trieste Scientific Pole, which included the International Centre for Theoretical Physics (ICTP), the International Centre for Genetic Engineering and Biotechnology (ICGEB), the Third World Academy of Science and the ICS. Some of those institutions were set up within the legal framework of UNESCO; ICGEB was a separate organization with its own decision-making organs. His Government was firmly convinced that inclusion of the ICS in the UNESCO framework would promote an even more successful integration between training and research activities, and enable the ICS to further develop its own research component in the interests of the developing countries.

9. In the context of the ongoing reform process in UNIDO, the Business Plan adopted by the Board at its

seventeenth session (see decision IDB.17/Dec.2 in document GC.7/5, annex I) called for the discontinuation of a number of activities, including "research and industrial studies which are not clearly target-oriented" and the "promotion of advanced technologies without proven industrial use". At present, the ICS was primarily devoted to training people from scientific and technological institutions and to networking research and development centres, while it had only a very limited capacity to develop its own research potential. Within the institutional framework of UNESCO, the ICS could further develop its core research component, while continuing to implement, in close collaboration with UNIDO, the work programme relating to technology transfer and management of industrial innovation.

10. The UNIDO international technology centres came under Subprogramme C.1.2 (Technological capacity-building), whose objective was to assist institutions and, through those institutions, industrial enterprises in recipient countries in their efforts to identify, develop, adapt and utilize industrial technologies, thus encouraging investment. UNIDO's role was to provide a mechanism for linking technology promotion with investment opportunities; within the framework of UNESCO, the ICS would be in a better position to attract resources for research.

11. Italy, in close cooperation with the UNIDO Secretariat, was submitting a proposal for a mutually agreed transfer of the ICS to UNESCO. The Board and, in turn, the General Conference, were asked to give UNIDO the necessary mandate for the adoption of an agreement between UNIDO and UNESCO to develop their future collaboration in that context. The proposal should not be taken as implying an unfavourable evaluation of the UNIDO management: it was a strategic decision, solely based upon criteria of efficiency and harmonization with similar institutions operating within UNESCO. Close cooperation between UNESCO and UNIDO would continue, especially in the implementation of ICS work programmes.

12. In order to facilitate the transition to the new institutional setting, and to maintain the continuity of ongoing ICS activities, Italy was willing to enter into a tripartite arrangement with UNIDO and UNESCO establishing the framework for fruitful partnership between the two sister organizations in the spirit of the reform of the United Nations system.

13. In addition to its annual contribution to the ICS, amounting to approximately \$4.5 million, Italy would continue to support UNIDO's work on the development and management of industrial technologies in priority areas under the Business Plan in order to enhance

UNIDO's capacity to interact with the ICS in an effective manner.

14. **Mr. ABTAHI** (Observer for United Nations Educational, Scientific and Cultural Organization) said that UNESCO took note of the Italian Government's wish to further harmonize the institutions of the Trieste Scientific Pole by the proposed transfer of the ICS to UNESCO. The Director-General of UNESCO had reacted favourably to that proposal, in view of the close relevance of ICS activities to some of UNESCO's scientific programmes. The necessary consultations had been initiated and the Organization's Executive Board had been informed accordingly, but any further action would take due account of the decision of the IDB.

15. In view of UNESCO's firm commitment to close inter-agency cooperation, every effort would be made to ensure dynamic interaction with UNIDO in the fields of competence of the ICS both before and after the proposed transfer, if it took place.

16. **Mr. AHMADI** (Islamic Republic of Iran) said that one of the important objectives of the ICS was to provide conditions and structures for the professional promotion of scientists and technicians of developing countries. The relevant activities included research, the conduct of workshops and scientific meetings, cooperation on a scheme of visiting scientists and associates, advisory services and cooperation with industry, all of which were in line with the aim of promoting the industrial development of developing countries, and took into account the framework of the Organization's Business Plan.

17. In the light of the excellent spirit of cooperation that had prevailed between UNIDO, the Italian authorities and the beneficiaries, his delegation suggested that the Italian Government conclude a tripartite agreement with UNIDO and UNESCO, similar to the agreement concluded previously in the case of ICTP. However, in view of existing commitments and current activities as well as the relevant legal issues, appropriate transitional arrangements should be thoroughly considered.

18. **Ms. BATACLAN** (Philippines) said that the ICS performed a very important supportive role in UNIDO's activities in the priority areas of technology transfer, applied research and development and training, which were major components in the promotion of industrialization in developing countries. It would therefore be appropriate for the Centre to remain institutionally linked with UNIDO as foreseen in the Institutional Agreement. The Centre's role was particularly crucial in implementing the new UNIDO Business Plan.

19. Having benefited from ICS projects, her country acknowledged with appreciation the valuable support of the Italian Government for both the ICS and UNIDO, and hoped that that support would be continued.

20. **Mr. HALIM MOHAMED** (Sudan), acknowledging the excellent work done by the Centre and its services to developing countries so far, observed that a draft resolution had been circulated during the informal consultations under which the Conference would be asked to take note of the ending of the agreement between the Italian Government and UNIDO. In order to ensure that cooperation between UNIDO and the Centre maintained a sound institutional basis, guaranteeing that both training and research would continue as primary functions of the Centre, it might be better to consider changing the existing agreement into a tripartite one rather than ending it.

21. **Mr. BENMOUSSA** (Morocco) said that in view of the considerable results achieved by the Centre in developing countries in the area of transfer of technology, human resources and the promotion of research and development, the Centre should logically be funded by UNIDO as well as the Italian Government. Whatever solution was decided upon, there would be a change in the legal status of the Centre. The simplest solution would be for the Centre to continue on the basis of its agreement with UNIDO and a further agreement with UNESCO. Another possibility would be to follow the example of the International Centre for Theoretical Physics and conclude a tripartite agreement between UNIDO, UNESCO and the Italian Government. Such an agreement would need to cover the question of joint management. The change would provide an opportunity for countries to consider making additional contributions.

22. **Mr. GRISHAEV** (Russian Federation) said that the Russian Federation, as a country with an economy in transition, was very interested in making use of UNIDO's services, including those relating to ICS activities. His country had welcomed the setting up of the ICS to help solve problems of developing countries and countries in transition. The programmes for reorganization of scientific and technological institutes and centres for countries in transition, and their organization into global networks in order to strengthen industrial links, were of particular interest.

23. The ICS expert assessment carried out in two large Russian State scientific centres had been of significant practical help in developing specific plans for their reorganization and adaptation to market conditions. It was vital that any possible changes in the status of the ICS should not affect the implementation of any current or agreed future programmes, including any in Russia.

24. He hoped that the proposed tripartite agreement would help to solve any problems. His delegation was prepared to continue its cooperation with UNIDO on the priority activities of the ICS.

25. **Mr. AMROHI** (India) said that it would be useful to know how ongoing projects and those proposed for the new biennium would be affected in the event of a decision to transfer the Centre to UNESCO. He understood that ongoing projects would be safeguarded, and that a process for concluding a tripartite agreement between the Centre, UNESCO and UNIDO would be initiated, covering areas for future cooperation under the Business Plan. If that was so, the interests of the developing countries would be well protected as far as the Centre was concerned, and the proposal could be supported.

26. **Mr. DE CABRAL MONCADA** (Portugal) said that his delegation fully supported the approach taken by the Italian Government.

27. **Mr. KHALIL** (Tunisia) said that, in view of the desire for greater synergy and the compatibility between the work of the ICS and UNESCO, developing countries would undoubtedly benefit from the transfer to UNESCO. Italy's position was logical and it had been made clear that cooperation with UNIDO would not be discontinued. However, it would be better for the Board to decide first on the relationship between the Centre and UNIDO and then on the conclusion of a tripartite agreement between Italy, UNESCO and UNIDO.

28. **Mr. MANNO** (Italy) said that the reasons why the Italian Government had decided to transfer the ICS to UNESCO had been clearly set forth in a letter from the Italian Foreign Minister to the Director-General. The aim was to create a unique scientific pole in Trieste, where the International Centre for Theoretical Physics and other centres were already located and operated within the legal framework of UNESCO. The reasons for the transfer were entirely objective and in no way implied a criticism of UNIDO's management. In addition, the transfer would achieve greater harmonization between the institutions in Trieste and would better reflect the priorities of the Business Plan adopted by Member States. The research potential of the ICS could be developed through UNESCO while the ongoing projects relating to industrial technology could continue to be implemented in close collaboration with UNIDO.

29. The expression "ending of the agreement" did not imply that the Italian Government would cease cooperation with the ICS. The draft decision circulated was self-explanatory as it stood.

30. **Mr. DE MARIA Y CAMPOS** (Director-General) emphasized the excellent cooperation between Italy and UNIDO in many areas, particularly in the field of technological development. Italy's readiness to support other projects for capacity-building for technological development in priority areas was welcome.

31. There was no reason why the present agreement could not be modified and a tripartite arrangement established. There would be no interruption in programme activities, and projects in the pipeline would also be covered. The Steering Committee had already considered the possibility of a meeting in Trieste by 15 December; a follow-up meeting in Vienna or elsewhere could also be arranged. In view of the good relations which had always existed between UNIDO and UNESCO, the arrangement between the two Organizations should present no difficulty. The wording of the resolution to be adopted was nevertheless important.

32. **The PRESIDENT**, summing up, noted that there had been positive appreciation of the work of the Centre, and the usefulness of its activities for Member States had been underlined. There had been wide recognition of the contribution of the Italian Government to creating the necessary conditions for the operation of the Centre, and

there had been a common feeling that the Centre, irrespective of its organizational structure, should play an important role in the future for Member States of UNIDO. The future organizational arrangements should not affect ongoing projects and their usefulness to UNIDO Member States.

33. There had been a proposal for modifying the existing agreement and concluding a tripartite agreement. He suggested that the draft resolution circulated should be the subject of further consultations.

34. **Mr. MANNO** (Italy) emphasized his Government's commitment to implementing the ongoing projects and to continuing its cooperation with UNIDO. In addition to asking the General Conference to take note of the ending of the agreement between UNIDO and the Italian Government, the draft resolution might mention Italy's commitment to enter into a tripartite arrangement with UNESCO and UNIDO for the future operation of the ICS.

35. **The PRESIDENT** said that, as a common understanding appeared to be emerging, the drafting of a text could be left to informal consultations.

The meeting rose at 1.25 p.m.